

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Americatel Corporation and Startec  
Global Operating Company for Approval of a Pro  
Forma Restructuring

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET  
NUMBER: 2007 - - C

(Please type or print)

Submitted by: John J. Pringle, Jr.

SC Bar Number: 11208

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda  
expeditiously

☐ Other:

INDUSTRY (Check one)

- ☐ Electric  
☐ Electric/Gas  
☐ Electric/Telecommunications  
☐ Electric/Water  
☐ Electric/Water/Telecom.  
☐ Electric/Water/Sewer  
☐ Gas  
☐ Railroad  
☐ Sewer  
☒ Telecommunications  
☐ Transportation  
☐ Water  
☐ Water/Sewer  
☐ Administrative Matter  
☐ Other:

NATURE OF ACTION (Check all that apply)

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Affidavit                 | <input type="checkbox"/> Letter                            | <input type="checkbox"/> Request                   |
| <input type="checkbox"/> Agreement                 | <input type="checkbox"/> Memorandum                        | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer                    | <input type="checkbox"/> Motion                            | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review          | <input type="checkbox"/> Objection                         | <input type="checkbox"/> Resale Agreement          |
| <input checked="" type="checkbox"/> Application    | <input type="checkbox"/> Petition                          | <input type="checkbox"/> Resale Amendment          |
| <input type="checkbox"/> Brief                     | <input type="checkbox"/> Petition for Reconsideration      | <input type="checkbox"/> Reservation Letter        |
| <input type="checkbox"/> Certificate               | <input type="checkbox"/> Petition for Rulemaking           | <input type="checkbox"/> Response                  |
| <input type="checkbox"/> Comments                  | <input type="checkbox"/> Petition for Rule to Show Cause   | <input type="checkbox"/> Response to Discovery     |
| <input type="checkbox"/> Complaint                 | <input type="checkbox"/> Petition to Intervene             | <input type="checkbox"/> Return to Petition        |
| <input type="checkbox"/> Consent Order             | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation               |
| <input type="checkbox"/> Discovery                 | <input type="checkbox"/> Prefiled Testimony                | <input type="checkbox"/> Subpoena                  |
| <input type="checkbox"/> Exhibit                   | <input type="checkbox"/> Promotion                         | <input type="checkbox"/> Tariff                    |
| <input type="checkbox"/> Expedited Consideration   | <input type="checkbox"/> Proposed Order                    | <input type="checkbox"/> Other:                    |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest                           |  |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit             |  |
| <input type="checkbox"/> Late-Filed Exhibit        | <input type="checkbox"/> Report                            |  |

Print Form

Reset Form

# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
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November 20, 2007

## **FILED ELECTRONICALLY AND ORIGINAL VIA HAND-DELIVERY**

The Honorable Charles L.A. Terreni  
Chief Clerk  
**South Carolina Public Service Commission**  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RE: Application of Americatel Corporation and Startec Global Operating  
Company for Approval of a *Pro Forma* Restructuring, **Docket No. 2007-**  
**\_\_\_\_-C, Our File No. 1288-11418**

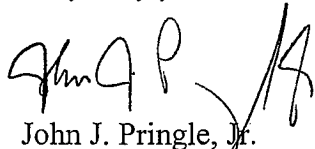
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Application** in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it with the bearer of these documents.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff Legal Department (via electronic mail service)  
Stefanie Alfonso-Frank, Esquire (via electronic mail service)  
Enclosures

**THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO  
THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.**

**BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

**DOCKET NO. \_\_\_\_\_**

In the Matter of the Joint Application	)
of	)
	)
<b>Americatel Corporation,</b>	)
and	)
<b>Startec Global Operating Company</b>	)
	)
for Approval of a <i>Pro Forma</i> Restructuring	)

**JOINT APPLICATION**

Startec Global Operating Company ("Startec") and Americatel Corporation ("Americatel") (collectively, "Applicants"), by their attorneys and pursuant to S.C. Code Ann. §§ 58-9-300 and 58-9-310, as well as any other applicable statutes or rules, hereby respectfully request approval from the South Carolina Public Service Commission ("Commission") for a *pro forma* corporate restructuring involving the merger of the Applicants, with Americatel surviving. Applicants respectfully request that the Commission act expeditiously, to the extent necessary, to grant the approval requested before March 31, 2008, so that the Applicants may timely meet important business objectives.

In connection with the proposed transaction, the Applicants request consent for Startec to cancel its operating authority in South Carolina upon consummation of the proposed transaction. As explained more fully below, following the proposed transaction, Startec will cease to exist and Americatel will assume the customers and operations of Startec pursuant to Americatel's authorities to provide telecommunications services. No Customers will be affected by this

cancellation because no existing service will be discontinued, reduced, impaired or interrupted as a result of the proposed *pro forma* merger.

In support of this Application, Applicants state as follows:

## **I. DESCRIPTION OF THE APPLICANTS**

### **A. Startec**

Startec is a Delaware corporation with its principal place of business located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855, tel. (301) 610-4300. Startec is a wholly owned direct subsidiary of Startec Global Communications Corporation (“SGCC”), also a Delaware corporation. Startec provides long distance, Internet, and other communications services to persons and businesses residing in 49 states (all except Alaska) and the District of Columbia, as well as Canada. In South Carolina, Startec is authorized to provide resold interexchange telecommunications service.<sup>1</sup> Startec provides its services primarily to customers who place a significant number of calls to international destinations.

### **B. Americatel**

Americatel is a Delaware corporation with principal offices located at 4045 NW 97<sup>th</sup> Avenue, Miami, Florida 33178, tel. (305) 717-0200. Serving the needs of United States customers with connections to Latin America and the Caribbean, Americatel provides international and domestic facilities-based and resold long distance services, including “dial around” casual calling (*i.e.*, 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states. In South Carolina, Americatel is authorized to operate as a reseller of

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<sup>1</sup> In Order No. 1999-109 (Docket No. 98-606-C) (February 10, 1999), a certificate to resell telecommunications service was granted to a predecessor of Startec. That certificate was transferred to Startec Global Licensing Company, a former sister company of Startec in the

telecommunications services pursuant to authority granted in Docket No. 98-032-C, Order No. 98-487 (June 26, 1998). Based on its history of successful operations, Americatel has amply demonstrated its qualifications to serve Startec's customers.

### **C. Ownership of the Applicants**

Platinum Equity, LLC ("Platinum Equity"), a limited liability company formed under the laws of Delaware and headquartered in Beverly Hills, California, has indirectly held 95 percent of the equity of Americatel since July 2006. Platinum Equity currently holds its 95 percent interest in Americatel through its wholly-owned subsidiary, MTAC Holding Corporation, a Delaware corporation, which in turn, is a wholly-owned subsidiary of EnergyTRACS Acquisition Corp. ("EnergyTRACS"), a Delaware corporation and wholly-owned subsidiary of Platinum Equity. Platinum Equity acquired indirect control of Startec on July 12, 2007, when it acquired indirect ownership of 100 percent of the equity in Startec. Platinum Equity currently holds this interest through its wholly-owned subsidiary, SGCC, which in turn, is a direct subsidiary of EnergyTRACS. On or about December 31, 2007 and upon receipt of all necessary regulatory approvals, the Applicants intend to implement a minor internal corporate reorganization that will result in Platinum Equity holding its interest in Startec indirectly through Americatel.

Platinum Equity is a global firm specializing in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, and logistics, manufacturing, and entertainment distribution. Since its founding in 1995, Platinum Equity has acquired more than 70 businesses with more than \$16 billion in annual aggregate revenue at the time of acquisition.

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same docket (July 28, 1999). Through a *pro forma* restructuring approved by the Commission,

## II. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, or other materials pertaining to this

Application should be directed to:

John J. Pringle, Jr.  
Ellis, Lawhorne & Sims, P.A.  
1501 Main Street, 5<sup>th</sup> Floor  
Columbia, SC 29201  
(803) 343-1270 (Tel)  
(803) 799-8479 (Fax)  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

Richard R. Cameron  
Stefanie Alfonso-Frank  
LATHAM & WATKINS LLP  
555 11<sup>th</sup> Street, N.W., Suite 1000  
Washington, D.C. 20004  
(202) 637-2200 (Tel)  
(202) 637-2201 (Fax)  
[richard.cameron@lw.com](mailto:richard.cameron@lw.com)  
[stefanie.alfonso-frank@lw.com](mailto:stefanie.alfonso-frank@lw.com)

Copies of any correspondence should also be sent to the following designated  
representatives of Startec and Americatel respectively:

Robert Felgar  
General Counsel  
Startec Global Operating Company  
7361 Calhoun Place, Suite 650  
Rockville, MD 20855  
(301) 610-4646 (Tel)  
(240) 314-4219 (Fax)  
[Robert.Felgar@startec.com](mailto:Robert.Felgar@startec.com)

Thomas Perez-Ducy  
President and Chief Executive Officer  
Americatel Corp.  
4045 NW 97th. Ave.  
Miami, FL 33178  
(305) 717-0302 (Tel)  
(305) 717-0338 (Fax)  
[tperez@americatel.net](mailto:tperez@americatel.net)

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Startec became the holder of the Certificate, *See* Docket No. 2007-111-C (May 16, 2007).

### III. DESCRIPTION OF THE PROPOSED TRANSACTION

The Applicants request approval for a *pro forma* corporate restructuring in which Startec will be merged with and into Americatel, with Americatel surviving.<sup>2</sup> As a result of the merger, Startec and SGCC, its immediate parent and a holding company, will cease to exist and Americatel will become the operating telecommunications service provider in South Carolina, serving all Americatel and Startec customers. An illustrative chart describing this *pro forma* restructuring is attached hereto as Exhibit A. Upon completion of this *pro forma* corporate restructuring, Americatel will assume the customers and operations of Startec but will continue to use the Startec brand name for those customers, possibly on a co-branded basis. Americatel will provide service to all of its customers, including those served under the Startec brand name, pursuant to its existing operating authority in South Carolina.

The Applicants anticipate that this *pro forma* merger will be seamless and transparent to Startec's customers. There will be no change in the ultimate ownership or control of Americatel, which will remain with Platinum Equity, the entity that also currently controls Startec. Service will be provided using the same network, billing systems and customer service operations currently used by Startec. No existing service will be discontinued, reduced, or impaired as a result of the *pro forma* merger. Thus, the proposed transaction will cause no interruption in service to customers. In addition, Americatel will serve Startec's customers using the same rates, terms, and conditions that currently apply under Startec. Americatel intends to adopt those

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<sup>2</sup> Upon receipt of all necessary regulatory approvals and on or about December 31, 2007, in an unrelated transaction, Applicants will implement a minor corporate reorganization under which Startec's immediate parent, SGCC, will become a direct subsidiary of Americatel and SGCC's current subsidiaries, including Startec, will become indirect subsidiaries of Americatel, without affecting ultimate control of Startec by Platinum Equity. An application for consent by the

portions of Startec's tariffs relating to Startec's service offerings and will file a revised tariff after consummation of the transaction or as otherwise directed by the Commission.

Finally, Applicants will comply with the Federal Communications Commission's ("FCC's") rules governing the sale of a carrier's customer base, 47 C.F.R. § 64.1120(e). These rules require that every affected subscriber of Startec receive notice of the proposed transaction as prescribed under the FCC's rules; and that Americatel certify to the FCC that it has provided at least 30 days' written notice to each subscriber affected by this transaction, under 47 C.F.R. § 64.1120(e)(1-3). A copy of the notice that will be sent to all affected Startec subscribers is set forth in Exhibit B.

#### IV. PUBLIC INTEREST STATEMENT

The proposed transaction will serve the public interest in South Carolina. *First*, the proposed transaction will streamline and eliminate inefficiencies from the business and administrative operations of Startec and Americatel. Specifically, the Applicants anticipate that this transaction will allow them to realize significant cost savings and operational benefits. Such savings are likely to result from network integration, reduced overhead and administrative costs, synergies from information systems integration, and other sources. These cost savings and benefits will cause Americatel to become a stronger competitor in the marketplace and will allow it to continue to provide high quality and low cost telecommunications services to South Carolina residents.

*Second*, the proposed transaction will strengthen competition in South Carolina by helping Americatel's business to grow and by putting Americatel in a better position to expand its

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Commission was not required for that *pro forma* reorganization because ultimate control of Startec was not changed and no assets were transferred in that transaction.



service offerings. As Americatel's presence in South Carolina expands, Americatel will be better able to achieve economies of scale and scope, which will permit it to offer lower prices, maintain and improve service quality, and launch new services. As a result, Americatel will become a stronger competitor, bringing more of the well-recognized benefits of vigorous competition to telecommunications customers throughout South Carolina.

*Third*, the transaction will benefit customers by permitting Americatel to integrate Startec's assets into its own services to create new, "best-of-class" offerings. In this way, the sale will ensure that the benefits Startec's customers currently enjoy remain available to them, and also may become available to Americatel's existing customers, benefiting the entire merged customer base.

#### **V. REQUEST TO CANCEL STARTEC'S OPERATING AUTHORITY IN SOUTH CAROLINA**

In connection with the proposed transaction, the Applicants also request consent for Startec to cancel its operating authority in South Carolina. Applicants both currently hold authority to provide resold interexchange service in South Carolina. As explained above, following the proposed transaction, Startec will cease to exist and Americatel will assume the customers and operations of Startec. Americatel will provide service to all of its customers, including those served under the Startec brand name, pursuant to Americatel's existing operating authority in South Carolina; thereby making Startec's operating authority unnecessary. No Customers will be affected by this relinquishment because, as explained above, no existing service will be discontinued, reduced, impaired or interrupted as a result of the *pro forma* merger. Accordingly, Applicants hereby request Commission consent for Startec to cancel its certificate in South Carolina as of the date of closing of the proposed transaction, scheduled to occur on or before March 31, 2008. Pursuant to instructions from Commission staff, Applicants

will notify the Commission upon consummation of the proposed transaction so that, with Commission approval, the cancellation of Startec's operating authority may be completed at that time.

## VI. CONCLUSION

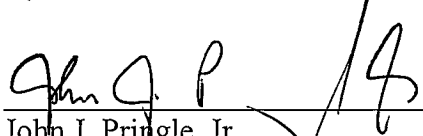
For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by granting this Application. Accordingly, Applicants respectfully request that the Commission grant *expedited* approval, to the extent necessary, for the proposed *pro forma* merger of Applicants, with Americatel surviving. In addition, the Applicants request approval for Startec to cancel its operating authority in South Carolina upon consummation of the proposed transaction. Finally, the Applicants respectfully request that the Commission grant this relief before March 31, 2008, to permit them to meet important business and financial objectives, and grant such other relief as is just and proper.

RESPECTFULLY SUBMITTED THIS 20th day of November, 2007.

AMERICATEL CORPORATION

STARTEC GLOBAL OPERATING COMPANY

By Their Counsel:

A handwritten signature in black ink, appearing to read "John J. Pringle, Jr.", is written over a horizontal line.

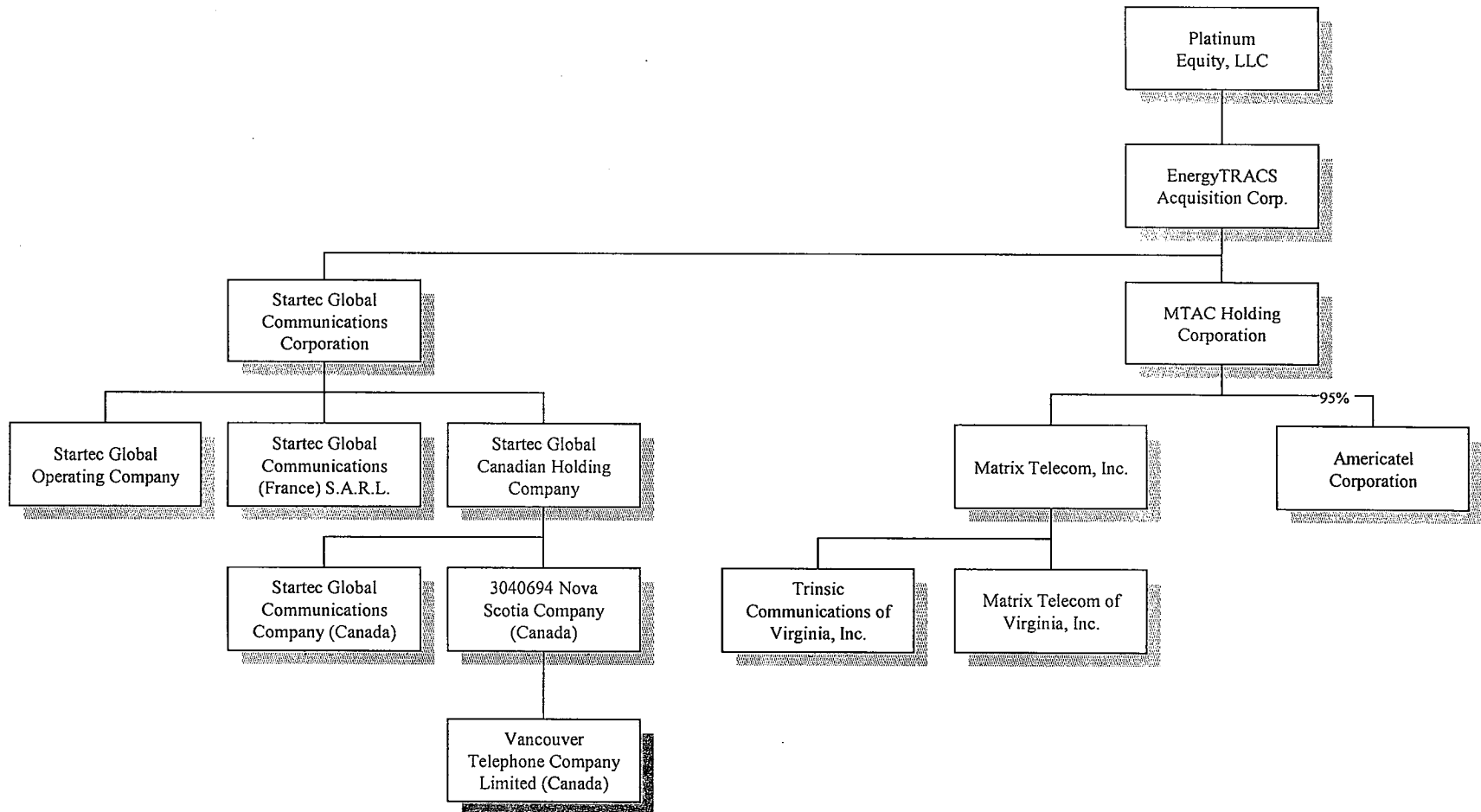
John J. Pringle, Jr.  
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Richard R. Cameron  
Stefanie Alfonso-Frank  
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(202) 637-2200

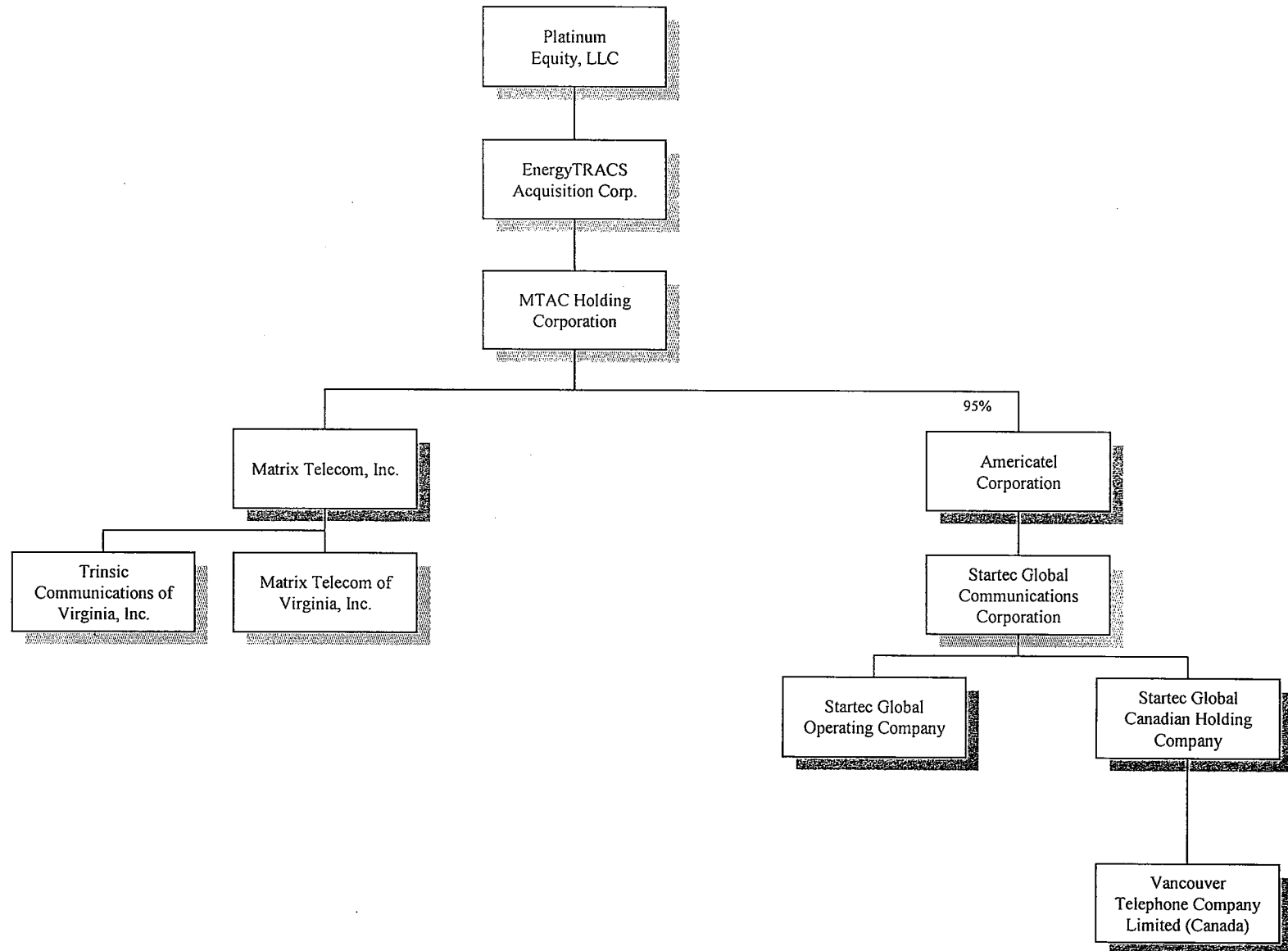
**Exhibit A**

***Pro Forma Corporate Restructuring Charts***

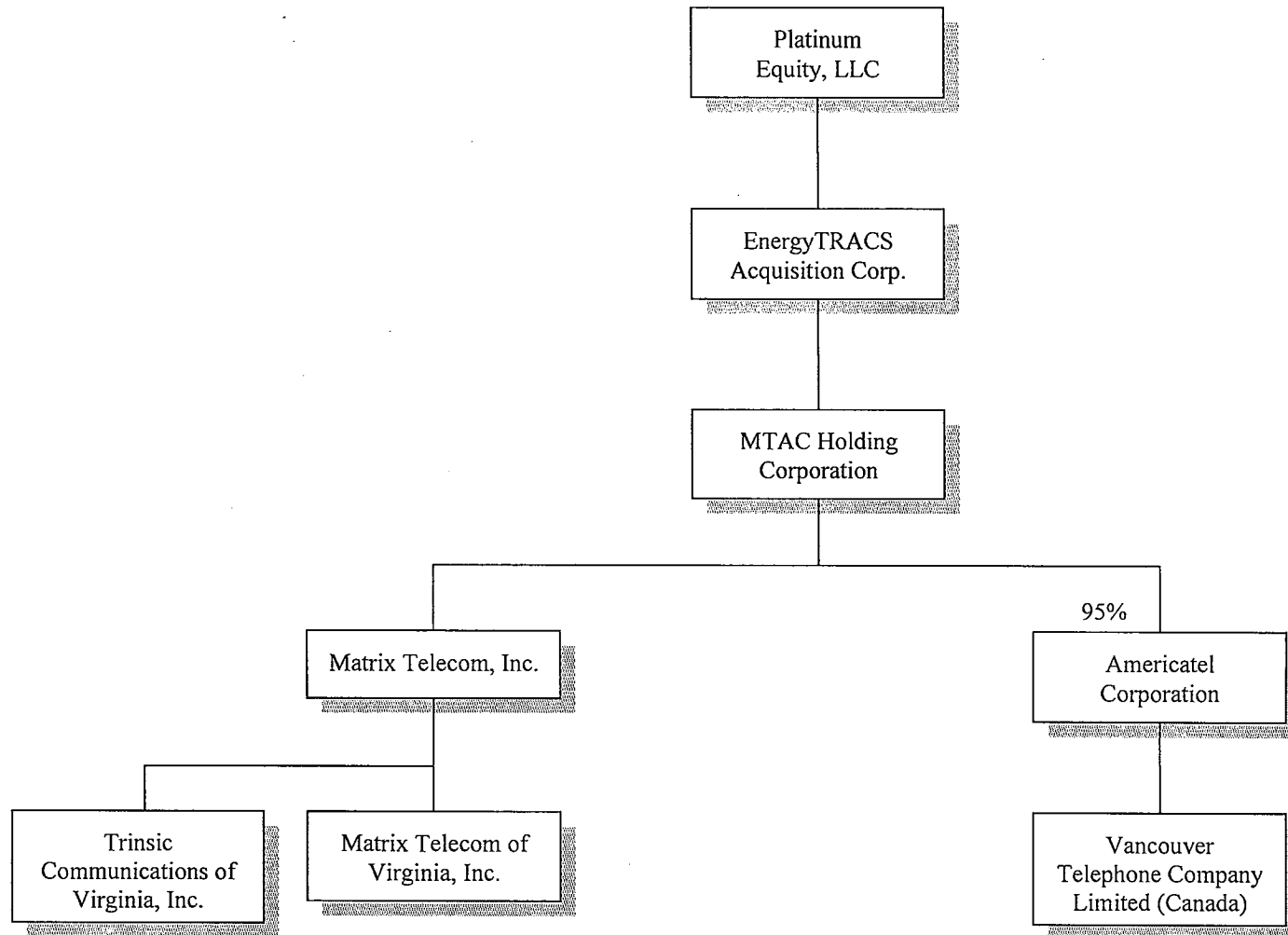
## Pre-Transaction Corporation Structure of Applicants (current)



Pre-Transaction Corporate Structure of Applicants (as of December 31, 2007)



## Post-Transaction Corporate Structure of Applicants



**Exhibit B**

**Customer Notice**





Thomas H. Perez-Ducy  
President and Chief Executive Officer

Startec Global Operating Company  
477 Peace Portal Dr., #107  
Blaine, WA 98230

## **A Notice from Startec Global Operating Company and Americatel Corporation About Your Long Distance Telephone Service**

Dear Valued Customer:

Startec Global Operating Company ("Startec") and Americatel Corporation ("Americatel") are pleased to announce that Startec and Americatel are merging their businesses. As a result of the merger, Americatel will now provide your long distance service using the same great Startec name you know and trust. The anticipated date for the merger of Startec into Americatel is March 31, 2008, or as soon thereafter as Startec and Americatel obtain the necessary regulatory approvals.

**To retain your current service, you need do nothing. There will be no cost to you because Americatel will be responsible for any carrier change charges resulting from the merger, nor will the merger change your current calling plan or your rates, service features or terms and conditions. There will no be service interruption nor will your telephone number(s) change as a result of the merger. Instead, you will simply continue to receive the same services and rates that you enjoy today under your Startec plan.** Additionally, although no change in your service is contemplated, you will be notified of any future changes to the rates, terms and conditions of your service in same manner as you always have – in your bill, by mail, or through other lawful means.

If you have placed a preferred carrier freeze on your account, the freeze will remain in place following the merger. We are required by law to inform you that you have the right to select a different preferred long distance carrier, if one is available. If you choose to change to a different preferred long distance carrier, you may first need to lift any freeze you may have placed on your account by calling your local telephone company.

As always, for help with any customer service, billing issue or complaint, we will continue to assist you at our Customer Service toll-free number 1.800.827.3374, before, during and after the merger.

Sincerely,

Thomas H. Perez-Ducy  
President and Chief Executive Officer  
Americatel Corp. Startec Global Communications

**Exhibit C**

**Notice of Filing**

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

DOCKET NO. 2007-\_\_\_\_-C

Startec Global Operating Company ("Startec"), and Americatel Corporation ("Americatel"), (together the "Applicants") have filed with the Public Service Commission of South Carolina ("Commission") an Application for authority to consummate a *pro forma* corporate restructuring involving a merger of the Applicants, with Americatel surviving. The Application was filed pursuant to S.C. Code Ann. §58-9-300 and §58-9-310. Specifically, Startec will be merged with and into Americatel, and the customers of Startec will become customers of Americatel. The Application reveals that there will be no change in service for existing Startec customers; no existing service will be discontinued, reduced, interrupted or impaired; and the rates, terms and conditions of service will remain the same.

A copy of the Application is on file in the offices of the Commission, 101 Executive Center Drive, Columbia, South Carolina 29210, the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov), and is available from John J. Pringle, Jr., Esquire, Ellis, Lawhorne & Sims, P.A., P.O. Box 2285, Columbia, South Carolina 29202.

A public hearing, if scheduled, will be held in Columbia, South Carolina, in the offices of the Commission at the above address, for the purpose of receiving testimony and other evidence from all interested parties regarding this Application. The time and date of this hearing will be furnished to all interested parties at a later date.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before \_\_\_\_\_, 2007, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2007-\_\_\_\_-C.*

Any person who wishes to testify and present evidence at the hearing, if scheduled, should notify the Docketing Department, in writing, at the address below, the Office of Regulatory Staff at Post Office Box 11263, Columbia, South Carolina 29211, and John J. Pringle, Jr., Esquire, at the above address, on or before \_\_\_\_\_, 2007, and indicate the amount of time required for his presentation. *Please refer to Docket No. 2007-\_\_\_\_-C.*

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before \_\_\_\_\_, 2007. *Please refer to Docket No. 2007-\_\_\_\_-C.*

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission at (803) 896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, South Carolina 29211

NOV-\_\_\_\_-07